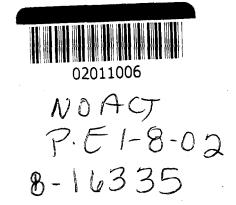
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## UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549



Mr. Darren Parsons Senior Manager, Securities Cage Advanced Clearing, Inc. 4211 South 102<sup>nd</sup> Street Omaha, NE 68103-2226 Act Securbes Eaching Act of 1934

Section 15(c)(3)

Rule 16c3-3

Public Availability January 14,2002

Re:

Extension Request for an Omnibus Account Designated as a Good Control Location

Dear Mr. Parsons:

This is in response to your letter dated January 8, 2002, wherein you request on behalf of Advanced Clearing, Inc. ("Advanced Clearing"), an extension of the time period for which an "omnibus account" may be designated as a good control location for purposes of Rule 15c3-3 of the Securities Exchange Act of 1934 (17 C.F.R. 240.15c3-3).

I understand the facts to be as follows: On or about November 26, 2001, Advanced Clearing began clearing the customer accounts of National Discount Brokers, which previously cleared its customer accounts through Pershing, a division of Donaldson, Lufkin & Jenrette Securities Corporation ("Pershing"). Each account became established on the books and records of Advanced Clearing, with corresponding securities positions being recorded as "short" in an omnibus account at Pershing. The positions are currently being transferred from Pershing to Advanced Clearing, with the omnibus account being simultaneously reduced and eliminated.

Pursuant to a letter dated December 27, 2001, the Division of Market Regulation ("Division") deemed the omnibus account at Pershing to be a good control location for thirty business days from the date that the omnibus account was entered on Advanced Clearing's books and records. However, Advanced Clearing and Pershing have not been able to complete the transfer of all of the customer accounts, and you have requested that the omnibus account be deemed a good control location for an additional ten business days. You state that such an extension will facilitate the prompt and orderly movement of assets which has exceeded thirty business days as a result of dividend and bond interest payments and redemption activity that will occur after the omnibus account would have been closed.

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Mr. Darren Parsons January 14, 2002 Page 2

Under the circumstances set forth above and to facilitate the prompt and orderly transfer of accounts, the Division will deem the omnibus account at Pershing to be a control location adequate for the protection of customer securities for the purposes of Rule 15c3-3 through January 25, 2002, provided that the following criteria are satisfied:

- (1) the books and records of Advanced Clearing reflect the customer securities positions and money balances previously held by Pershing;
- (3) the books and records of Advanced Clearing reflect that the customer securities not yet transferred to it are "located" in the omnibus account at Pershing;
- (3) Advanced Clearing assumes the responsibility to clear all transactions in the customer accounts being transferred; and
- (4) Pershing provides Advanced Clearing with written assurance that for purposes of Rule 15c3-3 it will treat the omnibus account as a customer account and the customer securities maintained in the omnibus account as fully-paid securities, and that it will promptly deliver the securities to Advanced Clearing.

The omnibus account that has been designated as a control location will retain such designation only until January 25, 2002. After January 25, 2002, the customer securities which have not been delivered to Advanced Clearing will no longer be deemed to be within Advanced Clearing's possession or control. When the omnibus account ceases to be a control location, Advanced Clearing must include the market value of all customer securities not yet delivered to it in its Reserve Formula computation (17 C.F.R. 240.15c3-3a) as a "failed to receive" credit item, whether or not it has any money credits related to the particular securities, and must initiate action to buy-in the securities not yet delivered.

It should be noted that the above requirements for having an omnibus account designated as a control location are applicable only to securities which Advanced Clearing desires to treat as being in its control by use of the omnibus account. For all other securities, Advanced Clearing will have to take other appropriate action to comply with the possession or control requirement of Rule 15c3-3.

Pursuant to Delegated Authority,

Jen 4 Howar

Thomas K. McGowan

Assistant Director

Marc S. Voltz, NASD Regulation, Inc. cc: TKM/mma



January 8, 2002

Mr. Thomas K. McGowan
Assistant Director
Securities and Exchange Commission
Division of Market Regulation
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Application for extension of an omnibus account that is in use to facilitate the prompt and orderly transfer of customer accounts in bulk from one broker dealer to another pursuant to SEC Rule 15c3-3C(7)/06

Dear Mr. McGowan:

Advanced Clearing, Inc. is applying for extension of an omnibus account that is in use for the National Discount Brokers conversion with contra broker Pershing Division of Donaldson, Lufkin and Jenrette Securities Corporation for original settlement date of November 26, 2001.

Advanced Clearing, Inc. requested permission to maintain this omnibus account by letter dated October 15, 2001. Advanced Clearing, Inc. is requesting an extension due to processing a residual sweep as of January 9, 2002 to convert positions and balances which entered the accounts on Pershing's books and records due to dividend payments on mutual fund positions, bond interest payments and redemption activity on 12/31/2001. An extension is needed in order to move the positions at the funds. Therefore, we are requesting an extension of ten business days until January 25, 2002. Since the original conversion settlement date, 96% of the accounts have been transferred. Approximately 300,000 accounts transferred from Pershing to Advanced Clearing, Inc. If there are any questions, please let me know.

Sincerely,

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Darren Parsons

Sr. Manager, Securities Cage

Advanced Clearing, Inc

(402) 597-7775 phone

(402) 597-8441 fax